AI for fun and the future

Financial Results Briefing Material
8th term, Full year ended December 31, 2025

Neural Group Inc.

February 13, 2026

Highlights of the FY2025 full-year results and the FY2026 business strategy

1. FY2025 closed with revenue of 3.3 billion yen and an operating loss of 6 million yen. The cost improvements driven since 2023 progressed further than expected, which temporarily held revenue back, but the break-even point of our existing businesses—the foundation for future growth—improved substantially.

2. On February 12, 2026, we announced M&A transactions to acquire 100% of the shares of POMATO PRO and CACTUS, both engaged in the event and entertainment business. This establishes a structure for delivering new forms of enjoyment using our generative AI technologies for video, voice and music, together with LED displays.

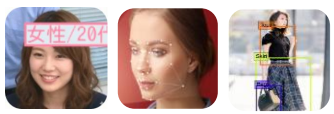
3. The FY2026 budget plans revenue of 5.3 billion yen (+60% YoY) and EBITDA excluding M&A-related expenses of 400 million yen (+183% YoY). We will continue to advance the social application of AI technology through successive M&A, aiming for a further leap forward in our business.

- **FY2025 business results**
- Business strategy for medium-term growth
- M&A market environment and our integration policy
- FY2026 business plan and M&A progress
- APPENDIX

Our history since founding – Expanding our business domains and strengthening Core Services from FY2026

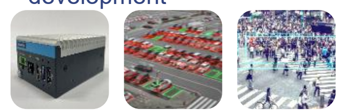
Object detection for images and video

- Developed compact, high-accuracy object detection and image recognition technologies
- Licensed our proprietary AI to large corporations



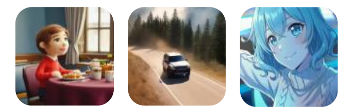
Edge AI and proprietary service development

- Embedded compact AI in edge devices and commercialized edge AI cameras
- Converted pedestrian and traffic flows into data to support smart city development



Creating enjoyment through M&A

- Independently advanced rapidly evolving generative AI technologies
- Rapidly expanded the creation of enjoyment and the entertainment business through M&A



Period of focus

2018–2020	2021–	2026–

Industry trends

2018–2020

- Object detection technology drew attention as an AI technology capable of turning the physical world into data
- Personal information and privacy became subjects of global debate
- In recent years, positioned as a commoditized technology

2021–

- Edge AI became a trend as a technology strong in energy saving, cost reduction and personal data protection
- In recent years, the emergence of LLMs and generative AI has driven massive investment in large-scale servers
- Edge AI is limited to certain applications in robotics and drones

2026–

- Supported by the expansion of the video content market in the media domain, AI-generated video has become widely established
- The use of generative AI is spreading at an accelerating pace across a wide range of areas including marketing, entertainment and events

Amid the intense rise and fall of technologies in the AI industry, we rebuilt our business foundation over the five years from 2021 to 2025

Timing and status: 2021 (1H, 2H), 2022 (1H, 2H), 2023 (1H, 2H), 2024 (1H, 2H), 2025 (1H, 2H), 2026 (1H, 2H)

Responding to change in the AI industry

Management objectives	Measures	Timing and status
Transformation of the business model	Shifted from the business model at the time of listing, which licensed AI to large corporations, to a model in which we provide AI services ourselves	Started; Completed
Achieving operating profitability	Improved efficiency across a wide range of SG&A expenses and cost of sales, and embedded a culture of continuous cost efficiency throughout the company	Started; Completed; Effects continuing
Continuous growth of Core Services	Built a nationwide sales structure for AI services and a customer base of more than 10,000 companies	Temporarily constrained; Started; Recovery

Launch of the growth strategy

Management objectives	Measures	Timing and status
Strengthening the financial base for growth	Carried out third-party allotments (April 2023: Sony; December 2023: Kyodo News and Crossplus) and a public offering (Q3 2025)	Third-party allotment; Third-party allotment; PO
Rapid growth through successive M&A	Acquired Focus Channel Inc. in 2021 and Netten Inc. in 2022, and will continue to actively acquire businesses that accelerate Core Services revenue growth	Focus Channel; Netten; Activities started

In FY2025 we completed the build-out of our business foundation. Cost efficiency measures continued beyond plan and temporarily weighed on results, but the break-even point of our existing businesses improved substantially

(JPY Millions)	FY2024 Dec FYE Actual	FY2025 Dec FYE Forecast	FY2025 Dec FYE Actual
Revenue	**3,564**	**3,700**	**3,299**
EBITDA	**187**	**300**	**141**
EBITDA%	*5.2%*	*8.1%*	*4.3%*
Operating profit	**35**	**160**	**-6**
Operating profit margin	*1.0%*	*4.3%*	*-0.2%*
Ordinary income	**11**	**140**	**-46**
Ordinary profit margin	*0.3%*	*3.8%*	*-1.4%*
Net income	**-60**	**40**	**-107**
Net profit margin	-	*1.1%*	*-3.2%*

- FY2025 business results
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Our mission

AI for fun and the future

NEURAL

The name Neural Group embodies our aspiration to use AI and other advanced technologies to deliver services unconstrained by conventional boundaries across a wide range of fields. We operate in areas such as entertainment, events, games, education, media and content, and work to realize a future society that excites the heart.

A management team with extensive M&A and AI development experience

President and CEO
Roi Shigematsu

- Partner at McKinsey & Company after Bain Capital
- Member of the Advisory Board of the School of Engineering, Graduate School of Engineering, the University of Tokyo; member of the Japan Association of Corporate Executives
- M.Eng., Graduate School of Engineering, the University of Tokyo

Advisor
Yutaka Matsuo

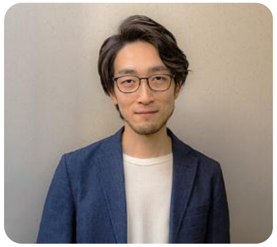
- Professor, Research Center for Advanced Science and Technology, Graduate School of Engineering, the University of Tokyo
- Chairman of the Japan Deep Learning Association; expert member of the Council for the Realization of a New Form of Capitalism; Chair of the AI Strategy Council
- Outside Director, SoftBank Group Corp.

Director, Senior Executive Officer
Masaaki Yamamoto

- Led technology development and new business development at Sony for 15 years
- Supported the business expansion of Focus Channel and Netten after they joined the Group
- Department of Mechanical and Aerospace Engineering, Graduate School, Tokyo Institute of Technology

Executive Officer, CFO
Takuya Matsuda

- Led numerous human resource development strategies and organizational reform projects at the management consulting firm Layers Consulting
- LL.B., Osaka University



Senior Executive Officer, CTO, Ph.D. in Science
Takahiro Mikami

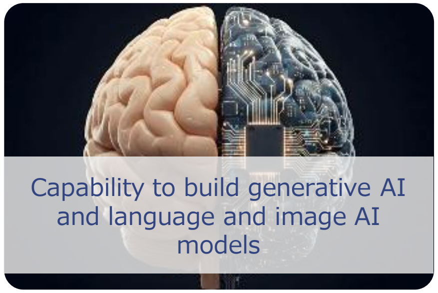
- Led AI research in advanced fields such as the ResNet image recognition model and the LSTM natural language model in the R&D department of Nomura Research Institute
- M.Sc., Graduate School of Science, the University of Tokyo

Executive Officer, Head of Technology Development Division
Daichi Suzuki

- Engaged in infrastructure and backend development for large-scale systems at Nomura Research Institute and Persol Career, while also driving his own service development and launches
- M.Eng., Graduate School of Fundamental Science and Engineering, Waseda University

Our AI capabilities driving the enjoyment and entertainment business

Our technological advantages


Capability to build generative AI and language and image AI models


Software and hardware development capabilities and integration with electronic payments


A track record of social implementation across a wide range of business domains

Value delivered by our technology

Autonomous content creation

Social infrastructure integration

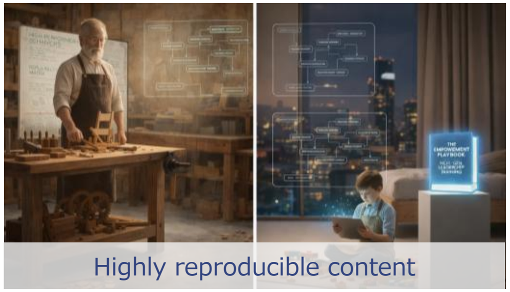

Payment integration


Physical space integration

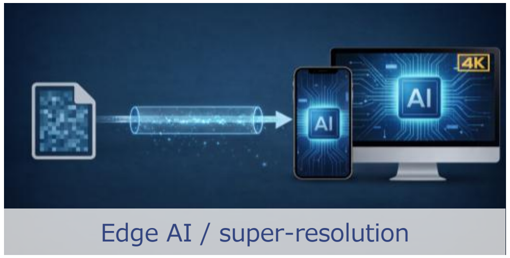

Infrastructure integration

Turning physical space into data

Visualizing and reproducing tacit knowledge


Highly reproducible content

Minimizing transmission and reception costs

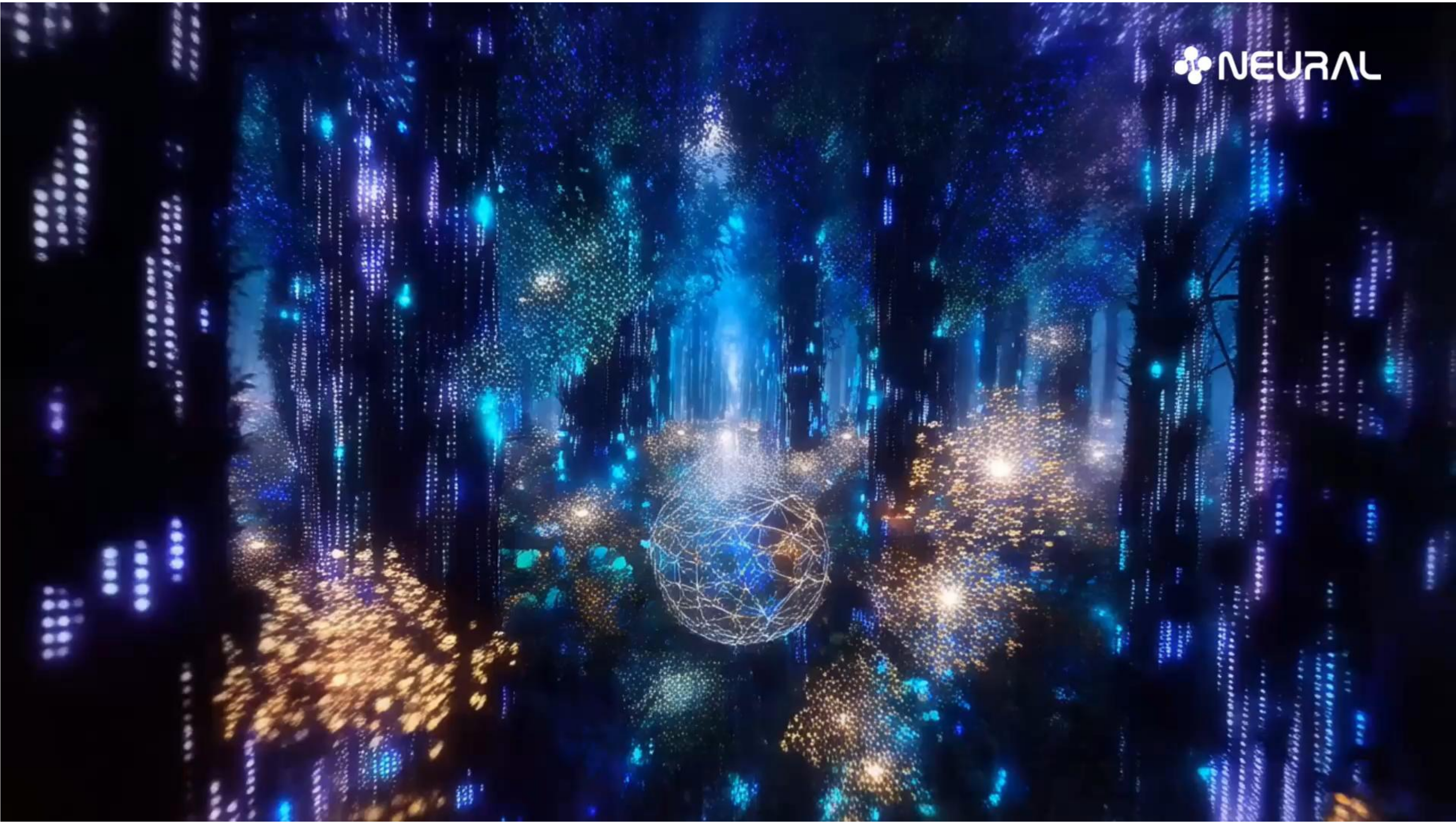


Edge AI / super-resolution

Our generative AI technology – Track record in animation and songwriting

https://youtu.be/o-h6GwgFwHQ?si=YX7us-HLUIvliPZX

Our generative AI technology – Track record in future spaces and staging

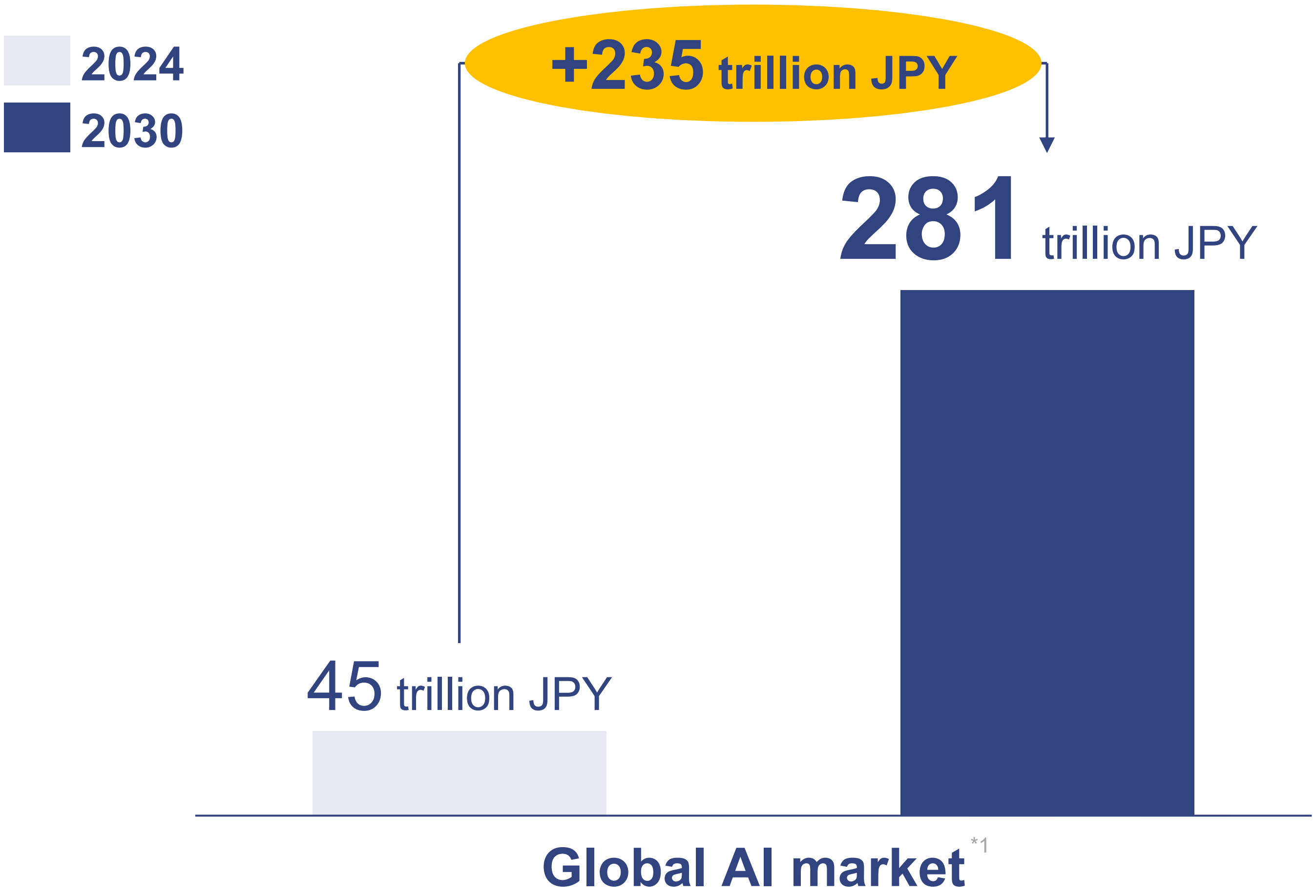


https://youtu.be/t0EeGXmYT9s?si=G30KzYeN8-8mZsFj

Our generative AI technology – Creating a wide variety of generative AI works




The expansion of the global AI market is progressing simultaneously across a wide range of areas: Delivering AI services requires the multifaceted application of AI across diverse business domains



*1 Statista Japan (published May 2024). Global artificial intelligence (AI) market size in 2021 and forecast through 2030. Market size amounts are calculated at an exchange rate of 152 yen to the U.S. dollar.

Applying AI and entertainment technologies more broadly through M&A

Forming a group of blue-chip companies leveraging AI technology through M&A

AI technologies we hold

Proactive application

AI × Fun

- Entertainment
- Events
- Games
- Education
- Media
- Content
- Marketing
- Video distribution

From FY2026 onward, we will shift to a rapid growth phase through M&A

We have a nationwide service delivery structure

11 locations nationwide

Group headcount Approx. 250

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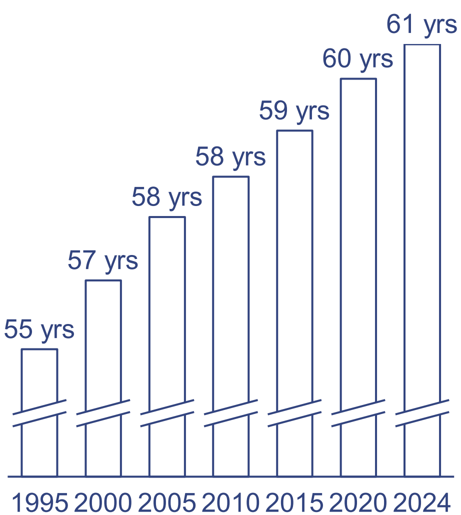
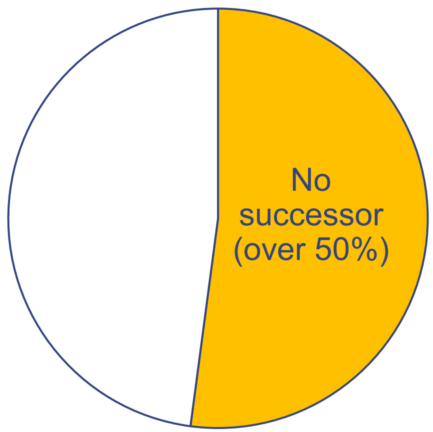
Aging owner-executives have made successor shortages and the closure of profitable businesses a social issue

Average age of company presidents



Rate of SMEs without a successor



Number of companies closing or suspending operations per year

Companies closing or suspending operations in 2024

69k companies

More than half "**35k** companies" closed or suspended operations while **profitable**

Potential demand for business succession-related M&A exceeds **13 trillion yen** and is expected to keep increasing through 2035

Source: Teikoku Databank, "Nationwide Survey on the Age of Company Presidents (2024)"
Source: Teikoku Databank, "Nationwide Survey on the Rate of Companies without a Successor (2024)"
Source: Teikoku Databank, "Nationwide Survey on Business Closures, Suspensions and Dissolutions (2024)"
Source: Yano Research Institute, "Potential Market Size for M&A among Domestic SMEs"

Criteria for joining the group of blue-chip companies we are building (profile of M&A targets)

Able to contribute to raising the enterprise value of the entire Group	• Target companies are highly sustainable, stably profitable businesses (rapid growth is not necessarily a requirement) • The acquisition price is premised on a fair value acceptable to both sets of shareholders (EV/EBITDA multiple of 5.0x or less, avoiding goodwill overpayment and impairment)
Able to enhance one another through synergies among Group companies	• Synergy 1: Applying our AI and entertainment technologies to the services provided • Synergy 2: Delivering value reciprocally to each other's customers • Synergy 3: Improving operational efficiency, including through AI (development, finance, procurement, etc.)
Possessing outstanding talent	• Business continuity is expected through the ongoing involvement of management and employees • Possessing outstanding talent in areas such as entertainment production and business planning • Able to respond flexibly to the adoption of new technologies and methods

M&A and PMI track record – Netten Inc.

Corporate overview

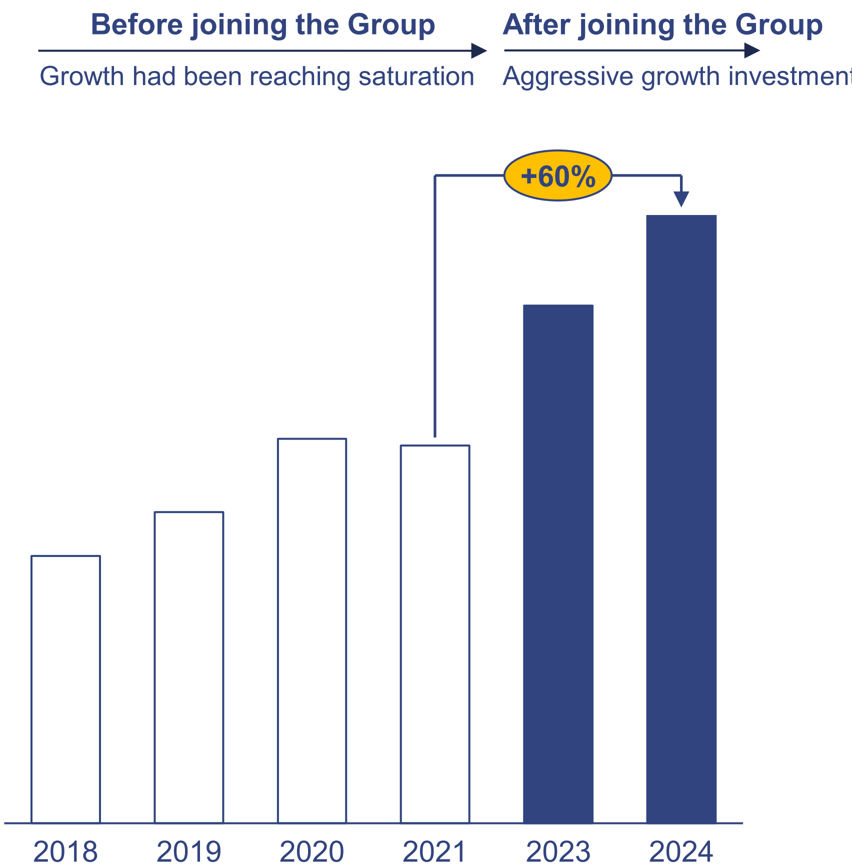
www.e-netten.ne.jp NETTEN

Company name : Netten Inc. [Date joined the Group] February 21, 2022

Form of succession : Acquisition of all shares from the founding president

Business : Sales promotion support, advertising production, LED display installation

Revenue growth before and after the M&A



[M&A and PMI track record] Focus Channel Inc.

Corporate overview

FOCUS CHANNEL

Company name : Focus Channel Inc.

Date joined the Group : November 1, 2021

Form of succession : Business transfer from Wiz Inc.

Business : Condominium signage media

Residents with an average household income above 10 million yen

Enables clearly targeted advertising

A stable audience persona and reliable viewing

Business growth before and after the M&A

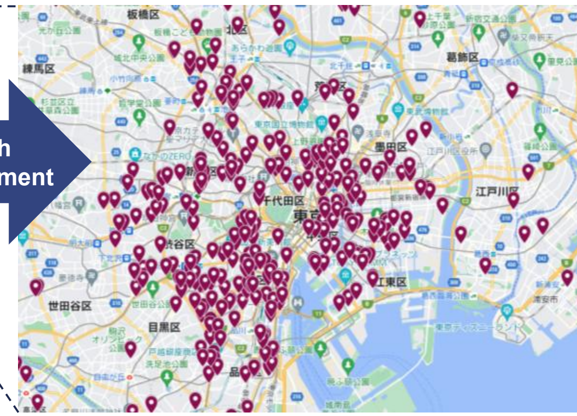
Before joining the Group

220 buildings installed, reaching 110,000 people

Growth investment

After joining the Group

450 buildings installed, reaching 230,000 people



[Various awards received alongside business growth]

No. 1 in the condominium signage advertising industry

Our Group management policy

Basic policy on joining the Group

- We respect the culture and independence of companies joining the Group, and in principle maintain their company names and locations
- We provide talent and capital to support the adoption of new technologies and the creation of enjoyment
- We also support the generation of funds for medium-term growth through short-term profit expansion

Specific initiatives for creating synergies

Revenue expansion

- Mutual customer referrals and cross-selling among Group companies
- Integrated service proposals combining products across the Group
- Enhancing product appeal and unit prices through new technologies and improved functionality
- Sharing best practices in sales among Group companies

Management efficiency

- Joint Group purchasing and shared operation of IT systems
- Integrating back-office functions such as accounting, finance and budget management
- Handling outsourced creative and development work within the Group
- Optimizing the use of talent by covering each other's peak seasons

Stronger organizational capability

- Group-wide support for recruitment that is difficult for a single company
- Sharing and discussing Group strategy through a Group-wide meeting of company presidents
- Providing employees with diverse opportunities through Group-wide personnel transfers
- Greater sense of purpose and motivation as part of a listed company group

M&A progress and track record

M&A advisors

198 advisors

(as of February 6, 2026)

IMs received

251 cases

(as of February 6, 2026)

IMs selected

14 cases

(as of February 6, 2026)

Group companies

4 companies*

(as of February 12, 2026)

Financial partners

19 institutions

(as of February 6, 2026)

* Includes POMATO PRO (share transfer executed on February 28, 2026) and CACTUS (share transfer executed on April 1, 2026), for which agreements were concluded on February 12, 2026

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M&A status

November 1, 2021 — FOCUS CHANNEL

February 21, 2022 — www.e-netten.ne.jp NETTEN

February 12, 2026 — POMATO PRO. / CACTUS TOTAL PRODUCE Co.,

To be continued

Acquired all shares of POMATO PRO, a leader in online and offline entertainment and events, entering the event and entertainment domain

M&A overview

- Guided by the philosophy of "creating communication that enriches every human heart," POMATO PRO provides events and entertainment to a broad client base in the entertainment, gaming, sports and retail sectors
- The company excels at online events, which continue to grow, and hybrid online-offline services, and is rapidly advancing the digitalization of events and the use of generative AI technology
- Rather than remaining bound by conventional thinking, it has established a distinctive position in the market by delivering new forms of enjoyment

Corporate overview

- Established: 1983
- Location: Chiyoda-ku, Tokyo

Major clients: Asahi Shimbun Publications Inc. / Urawa Red Diamonds Co., Ltd. / AGENT Inc. / S-Pool Sales Support Inc. / ENEOS Holdings, Inc. / Epson Sales Japan Corporation / CAPCOM CO., LTD. / Education and Exploration Inc. / Kyodo News / Kyoritsu Advertising Inc. / Chara-Ken Inc. / Kintetsu Department Store Co., Ltd. / Kumon Institute of Education Co., Ltd. / Gurunavi, Inc. / CREO Co., Ltd. / Konami Digital Entertainment Co., Ltd. / Shiseido Company, Limited / East Japan Marketing & Communications, Inc. / JustSystems Corporation / Jupiter Shop Channel Co., Ltd. / SQUARE ENIX CO., LTD. / Sogo & Seibu Co., Ltd. / Sony Creative Products Inc. / Sony Interactive Entertainment Inc. / Sony Group Corporation / Sony Consumer Sales Inc. / Sony PCL Inc. / Daimaru Matsuzakaya Department Stores Co. Ltd. / Dan Advertising Inc. / Delphys Drive Inc. / Dentsu Inc. / Dentsu Tec Inc. / Tokyo Midtown Management Co., Ltd. / TOYOTA CONIQ Pro, Inc. / Nippon Professional Baseball Organization / The Japan Agricultural News / VAIO Corporation / Hakuhodo Inc. / Hakuhodo DY Sports Marketing Inc. / Hankyu Hanshin Department Stores, Inc. / BANDAI CO., LTD. / BANDAI SPIRITS CO., LTD. / Frontage Inc. / Sopexa Japon / Bosch Corporation / POPLAR Publishing Co., Ltd. / Matsuya Co., Ltd. / Marui Co., Ltd. / Sumitomo Mitsui Banking Corporation / Isetan Mitsukoshi Ltd. / Meiji Sangyo Co., Ltd. / LY Corporation / Yomiuri Agency Inc. / Yomiko Advertising Inc. / Yomiko Cross Com Inc. / LINE Friends Japan Inc.

Examples of event and entertainment services delivered

e-BASEBALL National Junior and Senior High School Championship
(Konami)

SIE booth at TOKYO GAME SHOW
(SIE)

KICK OFF MEETING
(Shiseido)

PEANUTS CARNIVAL
(PEANUTS CARNIVAL Organizing Committee)

KUMON 60th anniversary ceremony
(Kumon Institute of Education)

NPB 12-club junior tournament
(Nippon Professional Baseball)

Acquired all shares of CACTUS, a leader in entertainment and events for corporate and government clients, delivering light art and enjoyment in urban spaces

M&A overview

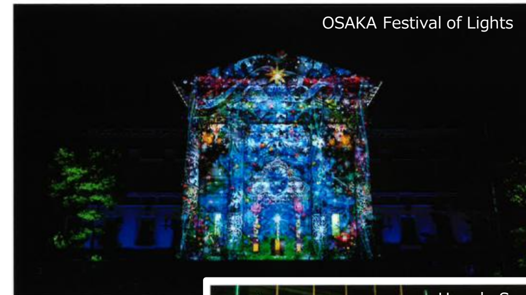
- Guided by the philosophy of "moving hearts and creating moving experiences," CACTUS delivers effective promotions through creative events and design that start from emotion
- With strengths in projection mapping and light art, it has an extensive track record of providing entertainment services in urban spaces in partnership with local governments
- It currently has a strong network centered on the Kansai region, with high potential for nationwide expansion

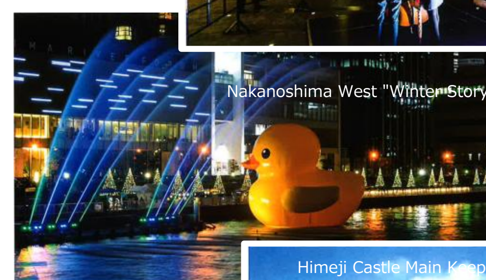
Corporate overview

- Established: 1996
- Location: Osaka City, Osaka

Major clients: JTB Communication Design, Inc. / Hankyu Hanshin Building Management Co., Ltd. / JTB Corp. / Daiwa House Industry Co., Ltd. / DAI NIPPON PRINTING Co., Ltd. / Mindshare Inc. / Hankyu Corporation / JTB Global Marketing & Travel Inc. / UMEDA MEETS HEART Organizing Committee / Asahi Television Broadcasting Corporation / Osaka Umeda Area Management Association / Osaka Port Transport System Corporation / Dawn Business Consortium / Hankyu Hanshin Properties Corp. / Nankai Electric Railway Co., Ltd. / Nishi-Umeda Underground Walkway Management Council / Duskin Co., Ltd. / TAKENAKA CORPORATION / Grand Front Osaka TMO / Nankai International Travel Inc. / RISE Inc. / Kanden E-House Co., Ltd. / United Urban Investment Corporation / AD Dentsu Osaka Inc. / Hilton Plaza Tenants Association / Keshion Inc. / AAP Inc. / Tezukayama Gakuin University Budo Festival Organizing Committee / Indo-Pacific Strategic Think Tank / Meijo Gakuin High School, Aino University Educational Foundation / Kobe Motomachi Yume Clinic / Hanshin Electric Railway Co., Ltd. / Four-C Company Inc. / Dentsu Inc. / TAIYO YUSHI CORPORATION / JR West Japan Station City Co., Ltd. / Osaka City Waterworks Bureau / Yamamoto Noh Theater Foundation / Four Seasons Inc. / NHK Foundation / Hermes Japon Co., Ltd. / Nankai Ferry Co., Ltd. / West Japan Railway Company / Otsu City Taiga Drama "Hikaru Kimi e" Promotion Council / Yomiko Advertising Inc. / NTT Urban Value Support Corporation / AEON MALL Co., Ltd. / Kansai University / Mainichi Broadcasting System, Inc. / Osaka Institute of Technology / MIZUNO Corporation / GREENJAM / Haier Japan Holdings Co., Ltd. / Kintetsu Real Estate Co., Ltd. / Midosuji Machizukuri Network

Examples of event and entertainment services delivered





Rapidly rolling out "new event experiences" that combine video and audio technologies

Urban development

Large-scale events

Online streaming

Staging that fuses our technologies in the entertainment domain

Application of technology

LED displays

Image and video AI

Voice AI (including

Sensor technology

FY2026 consolidated full-year earnings forecast

(JPY Millions)	FY2025 Dec FYE Actual	FY2026 Dec FYE Forecast	Increase/ Decrease	Change %
Revenue	3,299	5,300	+2,001	+60%
EBITDA excl. M&A costs	141	400	+259	+183%
EBITDA%	*4.3%*	*7.5%*		

We focus on "EBITDA excl. M&A costs" as a management indicator

- As an indicator of normalized earning power for a company growing through successive M&A and the application of AI, we focus on earnings excluding one-off expenditures related to share acquisitions in M&A
- Specifically, it is calculated by adding M&A-related share acquisition costs (such as advisory fees associated with M&A) to EBITDA (operating profit + depreciation and amortization + amortization of goodwill), which indicates the ability to generate operating cash flow
  (see the formula on the right)
- M&A costs are incurred at acquisition but are one-off and are not recorded from the second year onward

	Operating profit (EBIT)
	Depreciation (D)
+)	Goodwill amort. (A)
	EBITDA
+)	M&A-related expenses
	EBITDA excl. M&A costs

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NEURAL

Our two domains of activity – Leveraging technologies created in the Innovations Domain to expand the Core Services Domain

Innovations Domain (AI algorithm research)

- Advancing research in advanced technology fields such as AI agents and LLMs jointly with corporate partners
- Pursuing research activities and revenue generation in parallel

~100 customers

Leveraging the technologies developed →

Core Services Domain (Social application of AI)

- Selling mature AI and related technologies as services
- Incorporating new technologies created through research on an ongoing basis

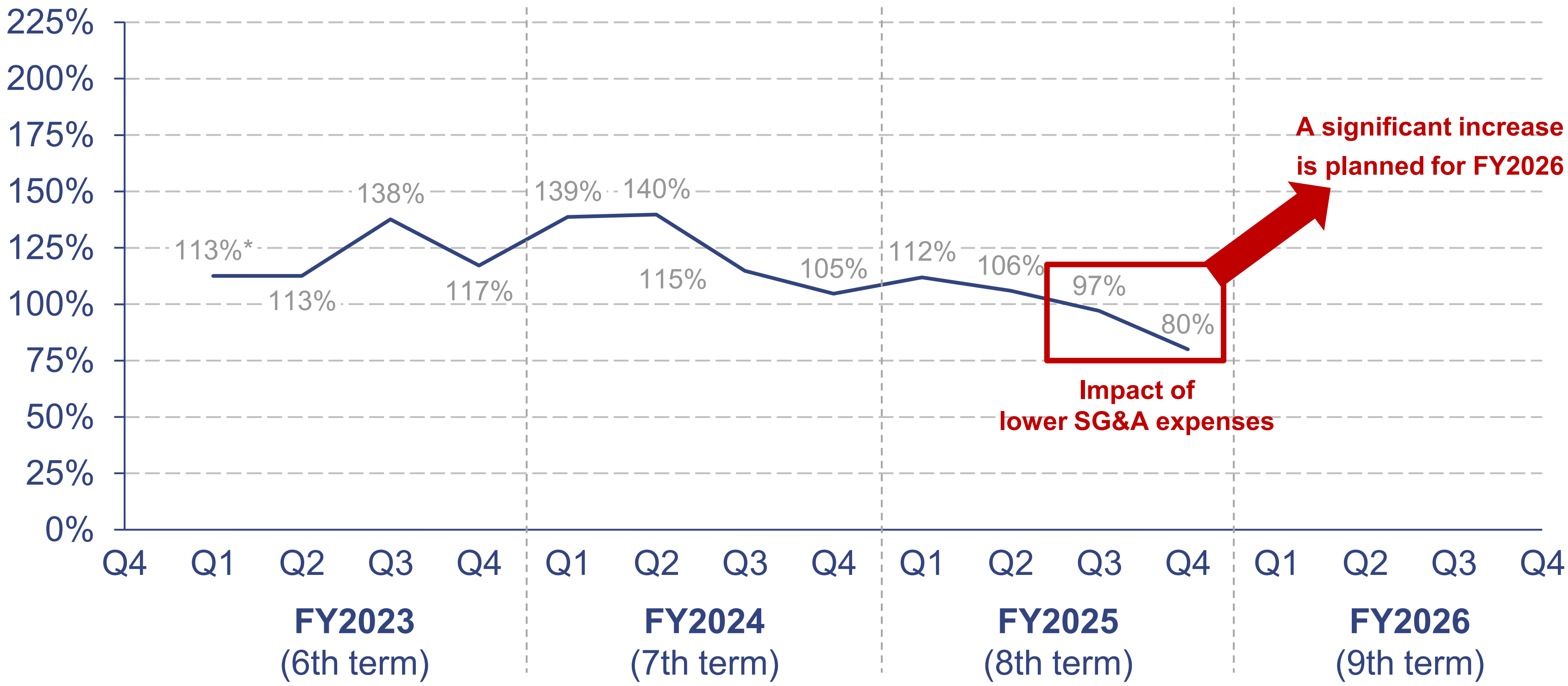
10,000+ customers

FY2025 revenue*1 by business domain – Compared with the previous year

(JPY Millions) Domain	FY2024 Dec FYE Q1-Q4 Actual	FY2025 Dec FYE Q1-Q4 Actual	Increase/ Decrease	Change %
Innovations Domain	778	571	-207	-26.6%
Core Services Domain	2,786	2,728	-58	-2.0%
Total	3,564	3,299	-265	-7.4%

*1 Revenue derived from customer contracts, as well as revenue based on accounting standards for lease transactions, is also aggregated and broken down by business domain.

Core Services Domain YoY revenue growth rate – Core Services revenue growth slowed temporarily in H2 2025, but will recover strongly to a growth trajectory in 2026



*1 Since the Q1 period of 2022 corresponds to a time when domain classifications were not yet defined in FY2021, it was difficult to calculate this data. Therefore, the figure shown is an estimated reference value based on the growth rate from Q2 2022 to Q2 2023.

Promoting capital and business alliances with operating companies while ensuring share liquidity by expanding floating shareholders

Note: Prepared based on the shareholder register as of December 31, 2025

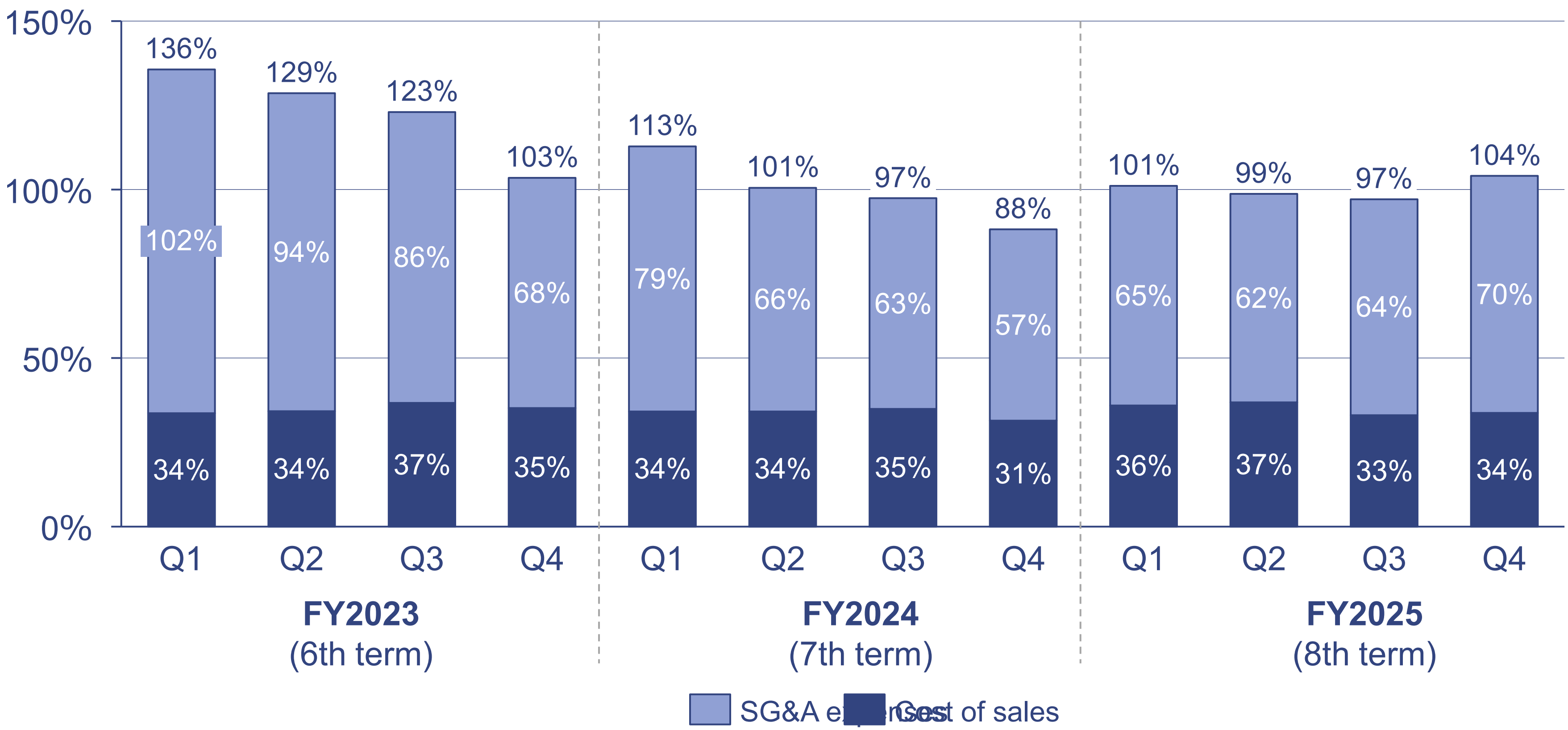
*1 Calculated from the total of 415,000 shares in the public offering and 215,800 shares in the secondary offering (including over-allotment) as a proportion of the 13,784,000 shares issued and outstanding as of August 20, 2020, plus shares sold by pre-listing shareholders and management.
*2 Shares held by pre-listing shareholders (VC investors and angel investors) identified through the Company's own research.
*3 Number of shares held by the Company's management.

Balance sheet as of December 31, 2025

(JPY Millions)	FY2025
	31 Dec
Current Asset	**2,870**
of which, Cash and Deposits	2,217
Fixed Assets	**1,327**
Total Assets	**4,198**
Total Liabilities	**2,312**
of which, interest-bearing debt	1,909
Net Assets	**1,885**

Cost structure & sales comparison – SG&A and CoGS ratio

- The cost of sales ratio has remained stable below 40% (gross profit margin of 60% or more)
- Because SG&A expenses include fixed costs, mainly personnel expenses, the SG&A ratio structurally declines from Q1 to Q4 as revenue increases



Disclaimer

Handling of this material

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